Long-Term Care Insurance in Minnesota

a report from the Minnesota Department of Commerce

Rev. June 15, 2006

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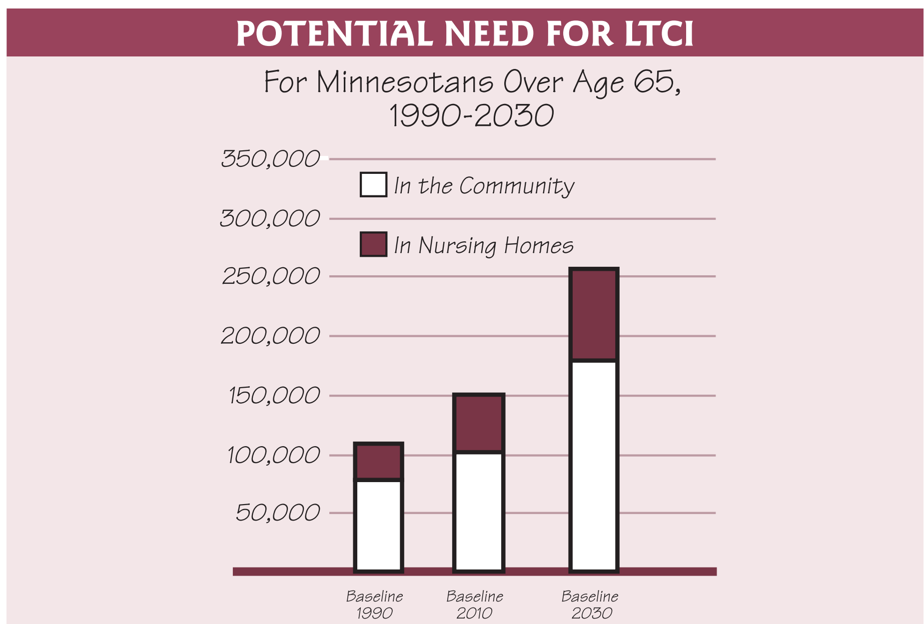
Introduction

Minnesota Commissioner of Commerce Glenn Wilson asked his staff to provide an analysis of the rates, the current market, and the rate increases for long-term care insurance in Minnesota. Commissioner Wilson is concerned about the substantial rate increases filed by many insurance companies for their long-term care insurance policies, the likelihood of future increases, and the impact on consumers and the market. These increases are happening throughout the United States, but insurance regulation takes place on a state level. The Minnesota Department of Commerce is responsible for regulation of the Minnesota insurance market and for providing information to Minnesota consumers.

Commerce Department staff collected information from stakeholders in the market, including insurance companies, consumers, other state agencies, and the federal government. This paper was updated in June, 2006 with currently available information.

Background

This paper presents information about long-term care insurance (LTCI) in Minnesota, and includes descriptions of the insurance, the coverage, the purchasers, the premium costs, the current market in Minnesota, and possible changes to the market. In addition, there are references to further sources of information on LTCI, such as government agencies, consumer information providers, and academic papers.



This type of insurance is purchased by individuals to cover the possible cost of custodial care such as a stay in a nursing home or extended home health care. It has been widely available since the 1970s, but became more well-known in 1996 when the federal Health Insurance Portability and Accountability Act (HIPAA) was passed. The long-term care insurance section of the HIPAA law enacted specific coverage standards for a *federally qualified* policy, and provided certain modest federal income tax advantages for purchasers of such qualified policies.

As stated above, insurance is regulated in Minnesota by the Department of Commerce, an agency of state government. The

PREMIUM FACTORS

AGE

GENDER

HEALTH STATUS

MARITAL STATUS

BENEFIT LEVEL

Commissioner of Commerce has authority to monitor the financial stability of insurance companies, and also enforces state consumer protection laws in such areas as standards for policy forms, rates, marketing materials, and agent licensing.

Key Information

What is long-term care insurance (LTCI)?

Long-term care insurance covers custodial nursing home care and home health care for long-term needs. Minnesota Statutes, section 62S.021, subd. 18 defines LTCI as insurance that is "designed to provide coverage for not less than 12 consecutive months for each covered person on an expense incurred, indemnity, prepaid, or other basis for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital." The laws for long-term care insurance appear in Minnesota Statutes, chapter 62S and sections 62A.46 through 62A.64.

LTCI pays for the actual charges up to a fixed daily benefit when the insured person needs services such as home health care or nursing home care. The premium is usually based on age at issue, gender, marital status, benefit level, and the results of the company's evaluation of the applicant's level of risk. The premium can increase later if the insurance company has poor experience. Any increase must apply to all policies in the same class, which are those in identical rating categories. For example, the class of policies that were issued at age 60 to a single female in the Preferred underwriting risk category for lifetime coverage with a 90-day elimination period. Almost all rate increases have applied the same percentage to all classes.

Usually LTCI only covers services if the policyholder is unable to perform some number of activities of daily living (ADLs) as specified in the policy, or if the policyholder has a cognitive disorder such as Alzheimer's disease. ADLs usually include bathing, eating, dressing, toileting, transferring, and continence, and are defined in detail in Minnesota Statutes section 62S.01.

What benefits are available if the policy lapses?

If a policyholder stops paying the premiums, the policy will lapse or terminate. In most cases, there is no refund or benefit provided after lapse, although in some cases the policy provides an extended or reduced paid-up benefit. This benefit is never a cash payment, but is only provided as reimbursement for long-term care services after the policy has lapsed. Usually the total benefit paid is equal to the total dollar amount of the premiums previously paid for the policy, without adding any interest credits to the amount.

The extended benefit pays the full original daily amount of coverage, but for a shorter period of time. The reduced paid-up benefit pays a lesser amount, but for the same time period as in the original policy. These benefits are sometimes called *nonforfeiture benefits* because the lapsing policyholder forfeits any future coverage if he or she doesn't have this provision.

What are the considerations when buying a policy?

Only those who can pass underwriting can buy a policy. This means that an individual applying for an LTCI policy must provide access to information such as his or her medical history, current living situation, and a personal interview. The purpose of underwriting is to prevent purchases by those who are likely to file a claim soon and, without it, the premium rates would be so high they would be unaffordable. It would be impossible to set a reasonable rate that would be profitable when some of the purchasers start collecting benefits in a year or two.

LTCI policies do not have standardized benefits. This means that policies available from different companies can (and do!) vary significantly in the details of coverage, rates, and underwriting. The only limitations on policy design are certain minimum benefit standards for federally-qualified policies, and the general requirements in Minnesota law.

> ***…policies available from different companies can vary significantly in the details of coverage, the rates, and the underwriting….***

Most LTCI is bought by middle-income to upper-income individuals. The premiums averaged about $1300 a year in 2005, which is a large percentage of the Minnesota median household income of $54,000 for a two-person family in 2004. The premiums are usually unaffordable for lower-income people, while upper-income people usually don't need insurance if they can afford to pay for care from liquid assets. However, there is no generally accepted guideline for the levels of income and assets that would define these economic categories. The purchasing decision is usually made —at least partly—on a subjective basis by the individual purchasing the policy.

One rule of thumb that gives guidance on the need for LTCI is found in the Personal Worksheet developed by the National Association of Insurance Commissioners (NAIC). It suggests that premiums should be no more than 7 percent of income and your assets should be at least $600,000. Note that some financial planners recommend that retirement assets be between $200,000 and $1.5million. Before purchasing LTCI, a person who has not yet retired should carefully evaluate his or

...LTCI is unique in that the average benefit payout is very low when the insured person is younger than 65, and then rises very steeply as the insured person reaches his or her 70s and 80s....

her expected income and assets after retirement

Most custodial care is not covered by any other public or private insurance, unless the person meets the income guidelines for Medicaid, the public assistance program that is paid for by both state and federal funds. In particular, long-term care is only minimally reimbursed by employer health coverage, major medical insurance, Medicare, or Medicare supplement policies. These policies are designed only to cover care that is relatively short-term and that is provided by skilled medical care providers, usually for skilled care only. Payments from a disability income insurance policy may be useful to help pay for custodial care up to the age of 65, but disability income insurance is only designed to replace earned income, and therefore the policies are written to pay benefits only until age 65, at which age the coverage terminates.

Some of the benefits of having LTCI include the following:

- Reimburses payments made for various long-term care services when needed
- Protects personal assets when services are needed
- Preserves an inheritance for heirs
- Assists spouse and children in managing the assets, services, and payments
- Avoids the need to depend on government programs

Purchasing LTCI is a personal decision that is usually based on the individual's desire to accomplish some of the goals listed above, combined with his or her judgment of the affordability of the premiums, the risk of needing services, and the soundness and reliability of the insurer.

What types of policies are available?

Some purchasers buy individual LTCI policies, and others buy certificates under group policies, which are usually issued to an employer to cover employees. The employer does not usually subsidize group coverage. The individual can keep the coverage even after he or she leaves the group.

Long-term care is covered in some life insurance and annuity policies for an additional premium charge, usually with a reduction in the life insurance or annuity benefit if long-term care benefits are used.

The choices offered and to be considered when purchasing a policy include the following:

- **Elimination period**—the initial length of time receiving care before the insurance starts paying benefits.
- **Daily benefit**—the maximum payment per day of care.
- **Maximum benefit length**—the total length of time that the policy will pay benefits.
- **Maximum dollar benefit**—the total benefits that could be paid. (This equals the daily benefit multiplied by the maximum benefit length in days.)
- **Nonforfeiture benefit**—a reduced benefit that may be available if the policy lapses.
- **Inflation coverage**—an automatic increase in the daily benefit, usually 5 percent per year.
- **Type of coverage**—Nursing home only, home health care only, assisted living, or some combination of the three.

Possible Increases in Rates

LTCI policies have rates that do not automatically increase, but they can if the company demonstrates that an increase is needed in order to fund the future benefits. This is similar to many other types of insurance policies such as universal life insurance, medical insurance, or homeowners insurance. However, LTCI is unique in that the average benefit payout is very low when the insured person is younger than 65, and then rises very steeply as the insured person reaches his or her seventies and eighties. With a level premium rate based on the issue age, the annual premium is far more than the annual average claim cost in the earlier years of a policy, but is far less than the claim cost in later years. Therefore, most of the

POLICY EXAMPLE*

Coverage

- $150 per day nursing home benefit,
- $75 per day for home health care,
- inflation increase of 5 percent compounded,
- five-year maximum benefit length,
- no nonforfeiture benefit, a 30-day elimination period before benefits start, and
- typical underwriting standards.

Estimated Premium:

- Issued at age 45: $1,500 to $3,000 per year
- Issued at age 65: $3,000 to $6,000 per year
- Issued at age 75: $7,500 to $15,000 per year

Variables

- Remove 5% inflation increase: policy cost reduces by about 50% depending on age
- Remove 30-day elimination period: policy cost increases by 33-66%
- Increase to 90-day or more elimination period: reduces cost substantially.

** Based on recent rate filings for a newly issued policy for a single person.*

earlier premiums must be retained by the company to pay claims in later years.

Also, the LTCI market has experienced tremendous change over the last ten years because of reduced interest rate earnings on investments and reduced lapse rates of policies in force. Most companies that sell LTCI policies have experienced significant negative financial effects from these changes.

Ten years ago, a typical long-term interest rate assumption might have been around 7 percent to 9 percent. It was impossible to foresee that long-term interest rates would drop to about half of that level. Since earnings on set-aside premiums provide a substantial portion of the money to pay claims, this change had a dramatic impact on the ability of companies to provide the promised benefits at the existing rates.

In addition, most companies assumed that policy lapse rates —the proportion of policyholders that stop paying premiums and let their policies terminate each year—would continue at historical levels of 10 to 15 percent of policies each year for the first few years after policy issue, and 4 to 6 percent per year in later years. However, those levels have reduced dramatically in the last five to nine years. When a policyholder lapses his or her policy (unless the policy included a nonforfeiture benefit), the reserves held as a liability for future claims on the company's financial statements are released to go toward other policyholders' future claims. Companies anticipated this release of reserves when they originally set the premium rates, but it has not happened to the extent anticipated. Therefore the premium rates are now much less likely to be sufficient to cover the total anticipated claims.

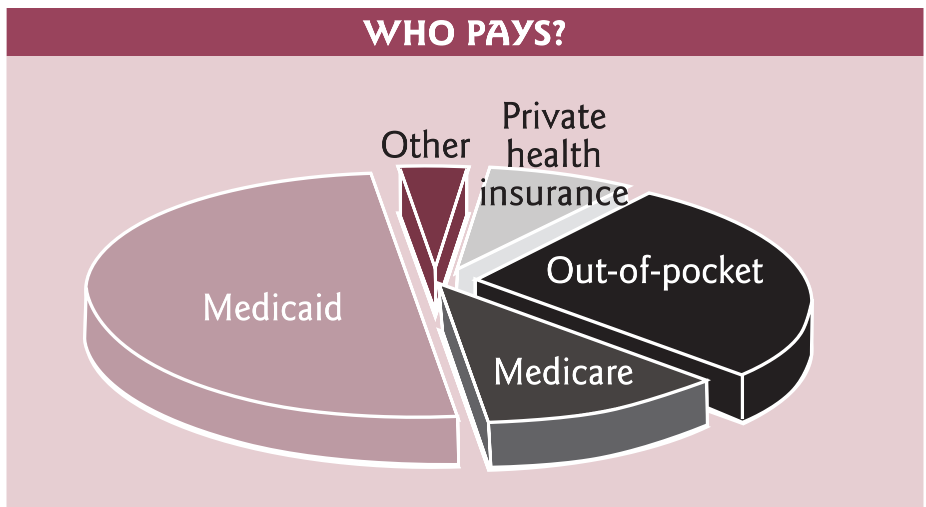
Changes in the frequency and intensity of use of nursing homes and home health care can also affect the rates, but such changes don't appear to have had much of an impact. Companies have generally not reported increases in such use when making rate increase filings. Most companies don't have enough claims experience for statistical credibility, so they don't know if the level of use has changed significantly in their insured population. Some companies have experienced higher levels than they expected, but only a few companies have reported this, so there may be such factors as different levels of underwriting rather than changes in the overall insured population.

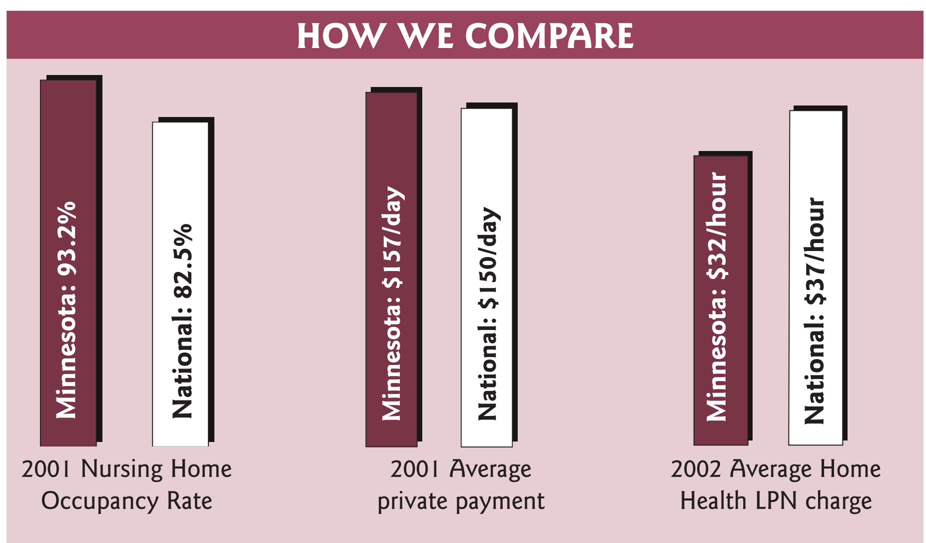
Current Marketplace in Minnesota

All LTCI insurance policy forms and rates must be reviewed by the Commerce Department before being used and, if they comply with Minnesota law, they are approved. In addition, the Commerce

Department provides assistance to consumers with insurance-related questions, and enforces laws on insurer financial stability, product marketing, and agent licensing.

At the end of 2005 about 171,000 people were covered under long-term care insurance in Minnesota, according to a report from the NAIC based on insurance company filings. More than half have received significant rate increases, mostlyy in the past four or five years. Prior to this time, LTCI rate increases had been relatively rare. Unlike medical insurance, long-term care insurance had rarely experienced widespread significant premium increases, partly because the price of long-term care services and the degree of utilization had been relatively stable. However, LTCI has recently experienced widespread significant premium increases in every state, not just in Minnesota.





The 171,000 Minnesotans covered by LTCI policies equal about 28 percent of the 620,000 residents aged 65 and higher (many covered people are under 65, but this is a rough measure of market penetration). According to a 1996 Minnesota Department of Health issue paper, the comparable number in the early 1990s was only about 1 percent. According to the Minnesota Department of Revenue, about 47,000 Minnesota individual income tax returns claimed the $100 per person tax credit for LTCI for 2003.

In 2003, the most recent year for which data is available, Americans paid around $111 billion for nursing home care, about eight percent of the total payments for all medical care services. Medicaid pays about 43 percent of the cost of nursing home care and patients pay directly for about 24 percent of the cost. Medicare pays about 14 percent, private insurance pays about five percent, and four percent comes from other private and government sources.

Although there are some demographic differences between Minnesota and other states, the LTCI market here is similar to the markets elsewhere in the United States. Most of the policies are identical, and the recent increases in rates have occurred across the country.

At the end of 2001, Minnesota had 427 nursing homes with 40,836 beds. Due to a state moratorium on new nursing homes, the number currently is slightly lower. There were 38,052 residents at year end 2001, for an occupancy rate of 93.2 percent. The national occupancy rate at that time was 82.5 percent. According to a research study by the AARP Foundation called *Across the States 2002*, the average private payment in Minnesota per day in a nursing home in 2001 was $157, compared to the national average of $150. The average hourly charge by a home health agency in 2002 for a Licensed Practical Nurse was $32, compared to the national average of $37.

The end of this report contains a table listing the 61 companies that have LTCI policies in Minnesota, as reported to the NAIC. Many of the companies on the list no longer offer new policies, due primarily to the financial impact of changes in interest rates and lapse rates.

The cumulative total loss ratio of 32 percent in the bottom right-hand corner of the table appears low, because most policies are in their early years and are not yet generating as many claims as they will in later years. In their income statements, companies include policy reserves with their claims, to avoid overstating profits. However, these experience reports do not include policy reserves.

Recent Changes in State Regulation of LTCI

State law regulates the benefits that are provided, the rates to be charged, the financial soundness of the company, and the process of marketing the policies. The Commerce Department is charged with enforcing these laws, which appear in Minnesota Statutes, chapter 60A (financial soundness), chapter 62A (benefits and rates), and chapter 62S (benefits, rates, and marketing).

Some of the laws regulating LTCI have been in effect since 1986. At that time, the specific requirement imposed on rates, in addition to the general requirements that apply to all health insurance, was that the anticipated benefits had to be at least 60 percent of the anticipated premiums. The ratio of benefits to premiums is called the loss ratio, so the minimum anticipated loss ratio was 60 percent. In 1997, some changes were made to coordinate with federal law changes contained in the Health Insurance Portability and Accountability Act (HIPAA). At that time, Minnesota Statutes, chapter 62S, was added to regulate the benefits of federally qualified policies. However, regulation of rates did not change significantly.

Rate regulation did change significantly at the beginning of 2002. To address concerns about rate increases on LTCI policies, regulatory changes were developed by the National Association of Insurance Commissioners. The new language is referred to as *rate stability requirements*. In 2001, Minnesota adopted rate stability, and Chapters 62A and 62S were revised. The revisions only apply to LTCI policies approved after December 31, 2001.

For those policies to be approved, the company's actuary must certify "that the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated," as required in Minnesota Statutes, section 62S.021, subd. 2, para. (2) (i). The actuary should be a member of the American Academy of Actuaries (Academy), which requires basic and continuing education of its members. The Academy also has professional standards of practice for its members. After review of the documentation, the department may request more details to establish that the rates are in compliance with the law.

…changes are intended to reduce the likelihood of future rate increases, without increasing the likelihood of company insolvency….

A variety of other requirements take effect if the insurance company ever requests a rate increase, including contingent nonforfeiture on lapse. This provides a financial penalty to a company that raises rates by a large percentage. It requires that company to provide a nonforfeiture benefit to policyholders who allow their policies to lapse, even if they didn't purchase such a benefit.

These changes are intended to reduce the likelihood of future rate increases, without increasing the likelihood of company insolvency.

However, most of the policies currently in force in Minnesota are NOT subject to the rate stability provisions described above, because almost all policies currently in force were approved by the Commerce Department prior to 2002.

Possible Future Changes in the Market

Predicting the future is a risky business, but some images emerge from the murky depths of the crystal ball.

We believe that rate increases will be less frequent in the future (unless there are unanticipated changes in utilization) because long-

term interest rates are unlikely to decrease significantly from current historically low levels. Also, lapse rates can't go below zero, so they can't decrease very significantly from current levels. At this point, there is no indication that per-person utilization of long-term care services will increase or decrease significantly in the near future.

Sales of new policies appear to have plateaued in Minnesota. According to the detailed state reports, enrollment climbed about four percent from about 165,000 people at the end of 2004 to 171,000 at the end of 2005. Recently, rates appear to have increased faster than wages, making the policies less attractive. The market may have reached an equilibrium point, where sales do not outpace lapses significantly, and the percent of the senior population with coverage remains stable.

On the other hand, a greater proportion of seniors may decide to purchase LTCI, depending on two potential changes in the decision process. First, awareness of the potential for changes in Medicaid reimbursements may lead individuals to purchase coverage. There is no guarantee that government will be able to maintain the same level of reimbursement in the future, particularly with the growth in seniors as a percent of the population.

Second, if tax benefits for LTCI premiums are significantly enhanced, this could increase the proportion who decide to purchase. However, the federal government does not appear to be close to providing more tax benefits, perhaps because the cost would be immediate and significant, while the potential savings might take twenty years or more to become significant. The federal government has, however, recently approved the "partnership" for LTCI, in which future purchasers will be able to shelter assets from Medicaid to the level of coverage that they purchased.

Rate regulation is not likely to change in the next several years, nor is the NAIC working on any further changes to rate regulation. The impact of the most recent changes will take several years to be noticeable, and significant changes are unlikely to be recommended until after the impact has been studied.

Sources of Additional Information

Here are sources of more detailed information, most of which are available on the internet. If internet access is not available, most information can be obtained by calling the organization that is listed. The list includes government information, consumer information, and studies or data sources.

Government Information

The Minnesota Department of Commerce has information on insurance at www.commerce.state.mn.us. Click on Consumer Info and then Insurance. The insurance Consumer Response Team (CRT) is comprised of investigators who respond to consumer phone calls about insurance. The CRT attempts to resolve disputes between consumers and the insurance industry informally. In the Twin Cities metro area call (651) 296-2488 or statewide toll free at 800-657-3602.

Minnesota law regulating LTCI can be found at www.leg.state.mn.us.

University of Minnesota Extension provides an interactive study program to help seniors learn about long-term care options. Go to www.financinglongtermcare.umn.edu.

Centers for Medicare and Medicaid Services (CMS) provides information at www.cms.hhs.gov, including information on nursing homes and alternatives to nursing homes. Click on Consumers, Medicaid, and Disability & Aging.

CMS also cosponsors a consumer education initiative in several states (not including Minnesota). Go to www.ltcaware.info.

The California Department of Insurance provides a listing of LTCI rate increases in all states as reported by companies, at http://www.insurance.ca.gov. Click on Insurance Guides, then Long-Term Care Rate and History Guide.

Consumer Information

The National Association of Insurance Commissioners publishes A Shopper's Guide to LTCI. Go to www.naic.org. Click on Consumers, then Consumer Publications.

AARP (they shortened their name in 1999) provides both consumer information and research information on long-term care. Go to www.aarp.org.

The Senior Federation of Minnesota provides a booklet on health insurance, including LTCI, and also a variety of services for seniors. Go to www.mnseniors.org.

Consumer Reports has a November 2003 article, Do You Need Long-Term Care Insurance? Go to www.consumerreports.org. Click on A to Z Index, then on I, then under Insurance click on disability, long-term.

The Insurance Federation of Minnesota sponsors an insurance help line staffed by volunteers. Go to www.mninsurance.org.

The National Association of Health Underwriters has several useful resources, including a 2004 state-by-state survey of nursing home costs done by Met Life. Go to http://www.nahu.org/, and click on Consumer Info, Issues, and Long-Term Care.

Data and Studies

The Congressional Budget Office issued a 2004 study on the financing of LTC. Go to www.cbo.gov. Click on Publications, Health, and Financing Long-Term Care for the Elderly.

The U.S. Census Bureau publishes the Statistical Abstract of the United States every year, a compendium of information from a variety of government and private sources. Average cost and levels of use of nursing homes, numbers of medical care providers, and a variety of other data appears in the chapter on Health. Current and past editions are available on-line at www.census.gov. Click on Statistical Abstract under the Special Topics heading.

AARP (they shortened their name in 1999) provides both consumer information and research information on long-term care. Go to www.aarp.org.

Georgetown University has produced a variety of research and policy papers on LTCI. Go to www.ltc.georgetown.edu.

The Institute for the Future of Aging Services is an organization sponsored by the American Association of Homes and Services for the Aging. It has a variety of information at www.futureofaging.org.

The National Health Policy Forum is sponsored by George Washington University. Information is available at www.nhpf.org.

Table showing Long Term Care Insurance Market in Minnesota follows on next page.

Long-Term Care Insurance Market in Minnesota

Co. Name	2005 Enrollment	2005 Earned Premium	2005 Incurred Claims**	Loss Ratio	Cumulative Earned Premium	Cumulative Incurred Claims**	Loss Ratio
AETNA LIFE INS. CO.	1362	829,709	40,124	5%	1,273,704	163,377	13%
AIG LIFE INS. CO.	261	435,006	256,985	59%	3,010,701	1,474,567	49%
ALLIANZ LIFE INS. CO. OF NORTH AMERICA	4832	7,871,717	1,802,824	23%	35,281,431	2,489,337	7%
AMER. FAMILY LIFE ASSUR. CO. OF COLUMBUS	2208	2,044,065	3,172,842	155%	18,967,246	6,749,405	36%
AMERICAN FAMILY MUTUAL INS. CO.	401	549,196	30,193	5%	2,862,175	171,283	6%
AMERICAN FIDELITY ASSUR. CO.	1940	2,031,927	1,179,637	58%	11,446,258	3,171,139	28%
AMERICAN HERITAGE LIFE INS. CO.	281	733,865	688,228	94%	5,443,052	3,091,484	57%
BANKERS LIFE AND CASUALTY CO.	480	13,337,728	6,888,773	52%	97,624,507	40,829,878	42%
BCBSM INC.	4498	6,012,104	1,091,099	18%	26,575,366	4,011,089	15%
CENTRAL STATES HEALTH & LIFE CO. OF OMAHA	15	38,809	(64,023)	-165%	3,687,398	2,614,446	71%
COMBINED INS. CO. OF AMERICA	408	1,171,822	23,389	2%	4,792,952	113,198	2%
CONSECO HEALTH INS. CO.	13	17,462	367	2%	53,019	2,107	4%
CONSECO SENIOR HEALTH INS. CO.	1502	2,684,458	3,875,880	144%	34,018,051	24,973,722	73%
CONTINENTAL CASUALTY CO.	21106	14,846,536	7,204,234	49%	85,059,729	22,919,735	27%
CONTINENTAL GENERAL INS. CO.	2587	7,814,518	5,071,039	65%	50,267,373	21,217,988	42%
COUNTRY LIFE INS. CO.	153	214,551	66,877	31%	648,326	66,877	10%
CUNA MUTUAL LIFE INS. CO.	273	346,469	(11,775)	-3%	801,440	83	0%
FARMERS NEW WORLD LIFE INS. CO.	215	327,407	19,259	6%	1,730,876	244,383	14%
GENWORTH LIFE & ANNUITY INS. CO.	201	202,489	225,501	111%	2,447,398	1,845,896	75%
GENWORTH LIFE INS. CO.	12826	19,427,674	3,812,907	20%	69,582,271	11,316,666	16%
GREAT AMERICAN LIFE INS. CO.	185	359,640	56,787	16%	955,035	262,996	28%
GUARANTEE TRUST LIFE INS. CO.	1727	412,223	48,596	12%	753,944	102,408	14%
HARTFORD LIFE INS. CO. (THE)	22	32,599	0	0%	180,932	0	0%
IDS LIFE INS. CO.	7367	10,144,556	3,627,055	36%	88,905,817	28,420,202	32%
JOHN ALDEN LIFE INS. CO.	74	97,454	29,617	30%	1,014,608	172,624	17%
JOHN HANCOCK LIFE INS. CO.	5725	18,666,136	3,792,278	20%	34,335,848	7,206,590	21%
KANAWHA INS. CO.	1270	1,589,618	234,781	15%	5,923,253	450,265	8%
KNIGHTS OF COLUMBUS	741	582,949	18,770	3%	1,846,828	109,568	6%
LIFE INVESTORS INS. CO. OF AMERICA	28542	36,725,214	11,863,801	32%	264,136,999	78,034,217	30%
LINCOLN BENEFIT LIFE CO.	1075	1,922,763	98,083	5%	10,865,038	782,483	7%

Company Name	2005 Enrollment	2005 Earned Premium	2005 Incurred Claims**	Loss Ratio	Cumulative Earned Premium	Cumulative Incurred Claims**	Loss Ratio
LINCOLN NATIONAL LIFE INS. CO. (THE)	3	8,149	121	1%	108,779	2,490	2%
MASSACHUSETTS MUTUAL LIFE INS. CO.	425	807,767	167,518	21%	2,496,262	408,331	16%
MEDAMERICA INS. CO.	901	802,252	0	0%	1,601,834	0	0%
MEDICO INS. CO.	1995	4,263,940	3,487,812	82%	59,506,329	34,619,054	58%
MEDICO LIFE INS. CO.	1817	4,097,710	2,932,462	72%	66,299,105	47,784,205	72%
METROPOLITAN LIFE INS. CO.	6454	8,054,213	1,048,196	13%	25,386,599	4,768,351	19%
MONUMENTAL LIFE INS. CO.	1032	1,205,149	18,963	2%	5,204,079	21,293	0%
MUTUAL OF OMAHA INS. CO.	1328	2,084,071	889,216	43%	9,890,980	3,001,611	30%
NEW YORK LIFE INS. CO.	1192	1,394,200	156,656	11%	7,490,893	1,640,885	22%
NORTHWESTERN LONG TERM CARE INS. CO.	1795	2,590,338	260,064	10%	7,649,018	339,625	4%
PENN TREATY NETWORK AMERICA INS. CO.	36	58,144	92,985	160%	703,521	611,182	87%
PENNSYLVANIA LIFE INS. CO.	265	547,245	61,448	11%	3,549,970	244,580	7%
PHYSICIANS MUTUAL INS. CO.	838	1,122,452	596,176	53%	7,118,267	2,772,370	39%
PRINCIPAL LIFE INS. CO.	40	20,301	0	0%	414,291	0	0%
PROVIDENT LIFE AND ACCIDENT INS. CO.	211	572,798	50,705	9%	956,932	211,974	22%
PRUDENTIAL INS. CO. OF AMERICA	2854	3,659,397	114,785	3%	12,864,768	1,544,592	12%
REASSURE AMERICA LIFE INS. CO.	282	512,910	536,962	105%	3,972,415	1,180,005	30%
SENTRY LIFE INS. CO.	605	792,807	772,150	97%	12,367,609	8,409,501	68%
STATE FARM MUTUAL AUTOMOBILE INS. CO.	2500	3,323,182	1,450,126	44%	14,914,347	3,427,418	23%
STATE LIFE INS. CO. (THE)	503	726,730	103,412	14%	2,875,527	103,412	4%
TEACHERS INS. AND ANNUITY ASSOC. OF AMER.	165	220,605	54,592	25%	1,464,511	288,756	20%
THRIVENT FINANCIAL FOR LUTHERANS	16624	13,491,715	9,078,251	67%	113,065,664	26,907,203	24%
THE TRAVELERS INS. CO.	9778	4,775,459	1,596,377	33%	40,983,095	12,255,055	30%
TIAA-CREF LIFE INS. CO.	125	156,181	3,043	2%	736,479	12,080	2%
TIME INS. CO.	474	966,449	1,034,326	107%	6,596,530	3,497,199	53%
TRANSAMERICA LIFE INS. CO.	3038	3,566,191	1,922,834	54%	27,640,991	9,272,344	34%
TRANSAMERICA OCCIDENTAL LIFE INS. CO.	1707	2,811,001	393,084	14%	17,752,155	3,537,168	20%
UNION SECURITY INS. CO.	2712	4,392,336	764,719	17%	23,620,964	2,236,689	9%
UNITED SECURITY ASSUR. CO. OF PENN.	277	393,166	184,695	47%	726,821	255,896	35%
UNUM LIFE INS. CO. OF AMERICA	9659	6,802,585	1,344,670	20%	38,420,778	4,126,380	11%
WORLD INS. CO.	9	6,349	(6,022)	-95%	516,769	526,619	102%
TOTAL	**171,934**	**225,696,456**	**84,254,454**	**37%**	**1,381,387,857**	**437,014,281**	**32%**

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